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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

October 11, 1994

Mr. William F. Caton
Secretary
Federal Communications Commission
Room 222
1919 M Street, NW
Washington, DC 20554

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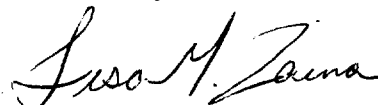
Re: Policies and Rules Implementing
the Telephone Disclosure and Dispute
Resolution Act
CC Docket No. 93-22

Dear Mr. Caton:

Please find enclosed for filing the original and eleven copies of the Organization for the Protection and Advancement of Small Telephone Companies' comments in the above-captioned proceeding.

Thank you for your assistance in this matter.

Sincerely,



Lisa M. Zaina
General Counsel

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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

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In the Matter of)
Policies and Rules Implementing)
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Resolution Act)

CC Docket No. 93-22

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**COMMENTS OF
THE ORGANIZATION FOR THE PROTECTION AND
ADVANCEMENT OF SMALL TELEPHONE COMPANIES**

OPASTCO
21 Dupont Circle, NW
Suite 700
Washington, DC 20036
(202) 659-5990

October 11, 1994

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
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**COMMENTS OF
THE ORGANIZATION FOR THE PROTECTION AND
ADVANCEMENT OF SMALL TELEPHONE COMPANIES**

I. INTRODUCTION

On August 31, 1994, the Federal Communications Commission (FCC or Commission) released the text of an Order on Reconsideration and Further Notice of Proposed Rule Making.¹ The Order affirms, with minor modifications, regulations governing interstate pay-per-call and similar services while the Notice concerns the matter of abusive practices associated with the provision of information services through 800 numbers. The Organization for the Protection and Advancement of Small Telephone Companies (OPASTCO) hereby submits its comments in response to the Commission's Notice.

In the Notice, the Commission seeks to amend its regulations

¹In the Matter of Policies and Rules Implementing the Telephone Disclosure and Dispute Resolution Act, CC Docket No. 93-22, Order on Reconsideration and Further Notice of Proposed Rule Making, 59 FR 46769 (September 12, 1994). (Order, Notice)

"to give telephone subscribers greater protection from fraudulent and deceptive practices associated with the use of 800 numbers to provide information services."² OPASTCO supports this objective. OPASTCO is a national trade association of more than 440 independently owned and operated telephone companies serving rural areas of the United States and Canada. Its members, which include both commercial companies and cooperatives, are small and rural local exchange carriers serving over 2 million customers. OPASTCO's members are agreeable to the Commission's proposed rules because they will reduce the confusion created by the use of 800 numbers, which are perceived to be free, as a conduit to the 900 services for which there are charges.

II. COMMENTS

It is a common public perception that any call to an 800 number is free of charge. That perception, as the Notice states, is one which Congress sought to maintain in the TDDRA.³ Clearly, 800 number information providers are well aware of this public perception when they "instantly subscribe" callers to their services. Despite the Commission's already carefully worded presubscription requirements for chargeable calls on access codes other than 900,⁴ some information service providers have still found it possible to boldly skirt these regulations without too

²Notice at para. 1.

³Notice at para 25.

⁴47 C.F.R. §64.1501(b) (1).

much fear of reprisal. For the benefit of protecting the public against unintended charges, many of which are in violation of federal law or regulation, OPASTCO supports the further safeguards that the Commission has proposed. In particular, OPASTCO expects that the Commission's proposed amendment to Section 64.1504 of its rules⁵ will be most effective in preventing information providers from subscribing any member of a household to a service without the knowledge of the subscriber of the originating line. In addition, the Commission's proposed amendment to Section 64.1504(b)⁶ will close the loophole which has allowed callers to be transferred to pay-per-call services provided outside of the 900 access code. While these practices of certain information providers have most adversely affected the public, it has also been costly for the local exchange carrier (LEC).

Most LECs provide a unified bill for all telephone-related services available to their customers. Thus, when telephone subscribers see charges on their bill which they do not understand or think are invalid, they most often call the LEC as

⁵Notice at para. 28. The proposed amendment to Section 64.1504 would explicitly extend the TDDRA's prohibitions against the use of 800 numbers to subscribers whose telephone lines may be used to place calls to such services as well as to the person actually calling the number.

⁶Notice at para. 28. The proposed amendment to Section 64.1504(b) would state that 800 numbers may not be used to connect callers to any information service that is not provided under a presubscription or comparable arrangement, even though such calls already may be prohibited under Section 64.1504(a).

a first step towards a resolution. Many of OPASTCO's members have received complaints from their customers concerning charges to their telephone bills for calls to 800 numbers the customer thought to be toll free. In such instances, the LEC must assume the role of liaison and attempt to resolve the dispute with the information service provider. In the case of small rural telephone companies with limited resources, this can become particularly costly and burdensome. In that regard, OPASTCO is amenable to the FCC's proposed amendment to section 64.1510(b) of its rules prohibiting common carriers from billing subscribers for presubscribed information services without evidence of a written agreement.⁷ It is OPASTCO's understanding of the Commission's intent that interexchange carriers (IXCs), as the providers of access to these services, would bear the responsibility of maintaining all records necessary to be in compliance with the proposed rule. OPASTCO would also expect it to be the responsibility of IXCs to inform LECs when subscribers to information services cancel their subscriptions, enabling LECs to comply with the Commission's proposed rule to not charge these customers for information services on future billings.

III. CONCLUSION

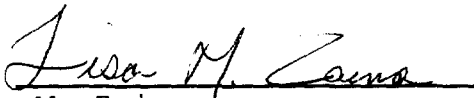
For the reasons outlined above, OPASTCO supports the Commission's efforts to put an end to the practices associated with some information services. By explicitly restricting the

⁷Notice at para. 29.

ways in which information service providers are permitted to subscribe people to pay-per-call services through the 800 access code, the Commission will provide assurance to telephone subscribers that, without their prearranged consent otherwise, calls to 800 numbers will always be toll-free. Although OPASTCO is aware that certain of the Commission's proposed rules will initially be a minor inconvenience to some of its LEC members, it believes that such rules will directly benefit ratepayers.

Respectfully submitted,

**THE ORGANIZATION FOR THE
PROTECTION AND ADVANCEMENT
OF SMALL TELEPHONE COMPANIES**

By: 
Lisa M. Zaina
General Counsel

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